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October 31, 1952

Dear General Smith:

As you may know, the Department of State in cooperation with and with the support of the Central Intelligence Agency, has maintained an External Research Staff (ERS) in order to serve both agencies by (1) arranging contracts for research with outside scholars or research organizations (2) maintaining and publishing a record of research contracts by all Federal agencies in the field of psychological warfare research (3) attempting to coordinate the research programs of State and CIA with the research programs of other Federal agencies (4) maintaining and disseminating extensive information on research conducted by scholars outside the government (5) developing close and effective working relationships on research of intelligence value with private foundations, professional associations, and private organizations, and (6) acquiring and disseminating to all interested agencies the products of external research that otherwise would not be available.

At the present time the Department of State supplies the full-time services of seven professionals and three secretaries (at a total annual salary rate of \$51,285), all supplies, travel funds, office space and operating overhead, bringing the State contribution to over \$60,000. CIA has made no personnel contribution to ERS since late this summer when the remaining two persons detailed to ERS by CIA transferred to another part of CIA. It was agreed at the time of this transfer that replacements and additional support by CIA should await further study by the two agencies.

As a result of discussion between ERS and the Office of Coordination, CIA, the attached study has been prepared, which examines the functions and status of ERS and the personnel and financial requirements in order to function on a sound basis. After careful study of the report of August 15, 1952, referred to above,



November 1, 1952,

General Walter B. Smith,
Director of Central Intelligence,
Washington.

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State Dept. review completed

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Support at this level will not be adequate for the full development of the ERS program recommended in the attached report. It, however, would (1) make possible the continuance of the 1948 concept of a joint External Research Staff supported by both agencies (2) put CIA support approximately on a par with State support (3) make it possible for ERS to catch up on its backlog of work and insure effective performance of its present functions in support of State, CIA, and the entire intelligence community, and (4) give us an opportunity to evaluate the work at this level of support before determining whether such support should be increased further in accordance with the recommendations of the attached report on "Personnel Requirements of the External Research Staff" dated August 15, 1952.

It has been suggested in the course of discussion of this problem, that the Department of Defense contribute to the budgetary support of ERS in return for the ERS services RDB receives. Such an approach should indeed be made, and I have requested negotiations to this end begin as soon as possible. On the other hand, for the following reasons, I do not believe that the question of RDB support should govern our joint activities in the external research field nor do I believe that further implementation of our activities should in any way be contingent upon RDB support:

- (1) A joint State-CIA program at the level outlined above is necessary for providing services to and discharging responsibilities of State, CIA, and the intelligence community -- quite apart from any RDB considerations.
- (2) The involved organizational and budgetary situation in RDB and in the three services make it unlikely that early commitments could be expected from the Department of Defense. The likelihood is that a Defense contribution would involve not only the separate budgets of the three services, but also the budgets of separate components within each service.

I hope

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I hope that this proposal for continued cooperation on external research will meet with your approval and that we may proceed to work out the details at an early date.

Sincerely yours,

W. Park Armstrong, Jr.

Enclosure:

Study on Personnel Requirements
of the External Research Staff
August 15, 1952

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